









## HIGHLIGHTS

FOR THE YEAR	1968	1967	PERCENT CHANGE
Net sales	\$1,026,457,000	\$825,119,000	+24
Net income	\$ 45,390,000	\$ 29,544,000	+54
Per common share	\$2.38	\$1.60	+49
As a percent of sales	4.42%	3.58%	+23
As a percent of shareholders' equity	12.58%	9.86%	+28
Dividends declared on common stock			
Per share—cash	\$ .25	\$ .25	—
Per share—stock (2%)	\$1.29	—	—
Capital expenditures	\$ 62,929,000	\$ 93,070,000	—32
Effective tax rate	45.9%	39.6%	+16
AT YEAR END			
Long-term notes payable	\$ 217,848,000	\$250,661,000	—13
Convertible subordinated notes	\$ 13,200,000	\$ 21,600,000	—39
Shareholders' equity	\$ 360,876,000	\$299,749,000	+20
Total assets	\$1,027,793,000	\$957,217,000	+ 7
Number of shareholders			
Common	21,067	14,111	+49
Preferred	6,689	12,611	—47
Number of employees	29,930	27,340	+ 9

Data for 1967 have been restated, where appropriate, to reflect acquisitions accounted for as poolings of interests.



*R. D. Hanaburger*  
PRESIDENT

*William M. Agee*  
CHAIRMAN OF THE BOARD

Twelve months ago in our 1967 annual report we said: "The year before us contains many uncertainties, but we thrive on them." This proved to be a reasonable prediction for 1968.

Boise Cascade's dramatic growth during the year enabled us to pass the billion dollar mark in sales, a 24% increase over 1967. More importantly, our net earnings increased 54%. This resulted in earnings per common share of \$2.38, an increase of 49%.

A significant part of our growth came from the increased level of housing and home improvement activity which, in turn, created a strong demand for lumber, plywood, building materials, and related products. In addition, our paper, packaging, and office supply operations performed better than in 1967; and the Company's paper mills ran at full capacity during the year, partly offsetting higher costs and soft prices in some grades of paper.

In our continuing search for new opportunities to serve the huge shelter industry, we became increasingly committed during the year to development of homes, homesites, and resort complexes for leisure living. This led to a study of the recreation needs of people with discretionary income and resulted in such new activities as motor homes, vacation cruises, and additional investments in the rapidly growing market for travel trailers.

In a similar manner our activity in housing led us into major commitments in urban development. During the year we became involved in projects in six major metropolitan areas. We look upon urban development as one of the promising areas of growth for Boise Cascade in the years just ahead, as American business buckles down to the enormous task of providing adequate shelter for the 26 million ill-housed Americans living mostly in our cities.

Related to the challenge of physically rebuilding the nation's slums is the challenge of offering productive employment to the people who live there. The urgent need for achieving true equality of opportunity without regard to race, color, religion, sex, age, or national origin requires immediate action, not only by business but also by all sectors of society. The complex social factors which act together to produce a failure-prone personality must become a central con-

cern to every employer. We at Boise Cascade recognize and accept this challenge. We have developed a team of individuals who are devoting full time to assisting our operating managers in coping with this need, and we have recently allocated significant corporate funds to assist in this important effort.

In mid-January of 1969, shareholders approved the merger of Union Lumber Company of Ft. Bragg, California, into Boise Cascade. Union is a known producer of redwood products with 215,000 acres of forest land in California. This property, along with other purchases, principally in Oregon, increased our total timberland ownership to 1,536,000 acres.

In addition, the Company now owns or has options on 116,558 acres of choice homesite and resort development property in the continental U.S. and Hawaii.

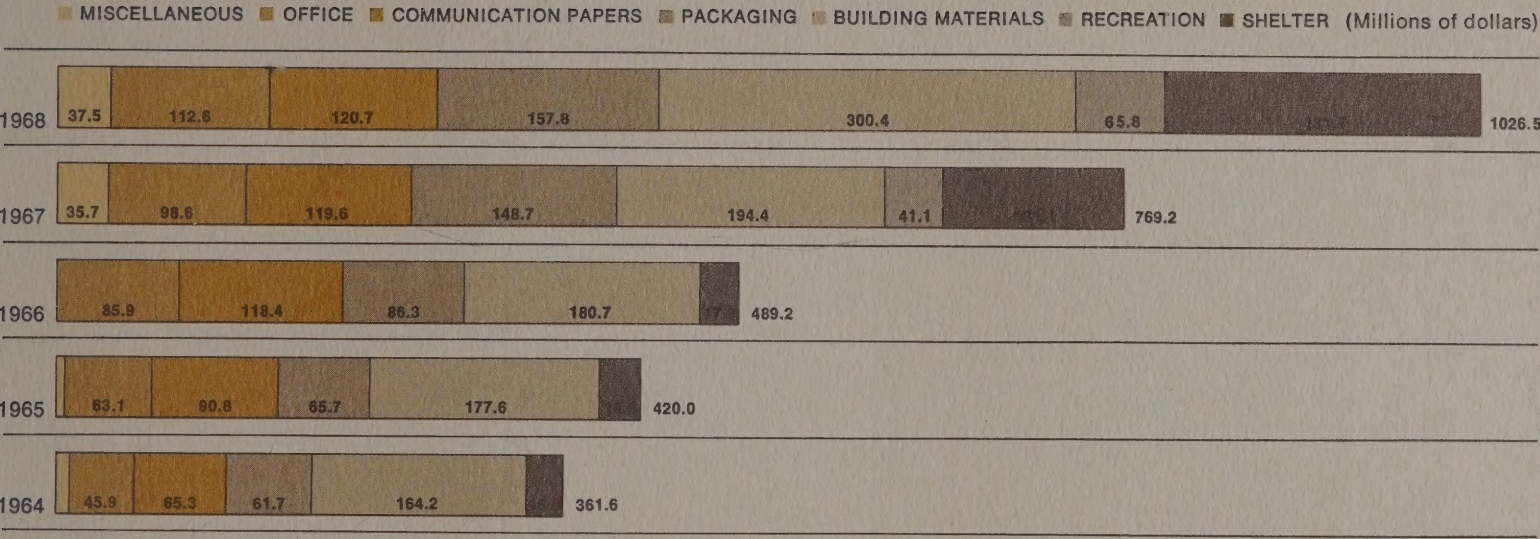
The Board of Directors elected William M. Agee, Jerome B. Nowak, and Gordon C. Randall as vice presidents during the year. L. W. Harris, Jr., was elected secretary, and Eugene H. Irminger was named comptroller.

In recognition of his proven talent and experience in the housing industry, Raymond A. Watt, general manager of our extensive on-site home and apartment building activities, received an appointment in March, 1969, to an important position in the U.S. Department of Housing and Urban Development.

Our growth pattern of past years has brought us the strength of diversification. The year 1968 was no exception. Each step of our growth, whether a new operation built by us or a company which has joined with Boise Cascade, has been based on an existing and related expertise in production, marketing, or technology. By planning growth through operational or marketing relationships rather than conglomerate-type financial additions, we have reinforced our capabilities dramatically.

We enter 1969 with financial strength greater than at any prior time in our history. This, along with our position in a number of related growth markets such as housing, recreation, packaging, communication papers, office supplies, urban development, and building products, would seem to justify an optimistic outlook for the coming year.







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**PEOPLE**

Most successful companies possess a distinctive personality. Boise Cascade's personality results, we think, from the manner in which its people explore, imagine, innovate, and produce. There are now 29,930 Boise Cascadians working in an environment relatively free from job descriptions, organization charts, and other inhibiting restrictions and attitudes. It is the kind of atmosphere which continues to attract some uncommonly fine people to our ranks. They seem to find in Boise Cascade an opportunity to exercise initiative...to grow as individuals. In the process they have enlarged the scope and increased the value of the Company dramatically.

They are sharing in these values in increasing numbers. In 1968, 9,048 hourly and salaried employees—nearly one-third of the total—signed up under a second stock option purchase plan, declaring their intent to purchase 105,022 shares of the Company's common stock. In an identical plan, concluded in 1967, 3,421 hourly and salaried employees purchased 86,380 shares. Such ownership is a part of the spirit of competitive enterprise which impels people to excel, to grow, and to strive for greater productivity.

A unique safety achievement recognition program, now in its third year, awarded college scholarships to 72 sons and daughters of hourly paid employees in 47 plants. In order to qualify, the unit must better by 50% the national aver-

age of lost-time accidents for its type of operation. There are now 125 employee children attending a college or university of their choice under this program.

During the year the Company addressed itself with renewed vigor to the challenges of vocational training for minority groups and to supervisory and management development and communications. A new department of personnel development was formed, staffed by people experienced in analyzing human attitudes and behavior and in developing programs to aid operating divisions in the areas of training, both on and off the job. To improve internal management communications, a successful program of seminars, using television and telephone techniques, was started in the fall of 1968.

To administer one aspect of corporate citizenship, the Boise Cascade Corporation Foundation was established in 1958. It reviews the many requests we receive for the support of projects in communities where our employees live and work. The Foundation program includes our National Merit Scholarship activities for children of employees, as well as many other activities in education, health, public welfare, and social betterment. The return in value from these disbursements may not be as obvious as an investment in plant or equipment; but it is very real, nonetheless, and just as lasting.





## LAND AND TIMBER

People are the most important natural resource of this Company. Another is land and the trees that grow on it. Our inventory of undeveloped or partially developed land for homesite and leisure community development now totals 116,558 acres, owned or controlled under purchase options.

In support of manufacturing operations, we added some 378,000 acres of timberland to our reserves in 1968, including 215,000 acres of redwood forest property in northern California and 163,000 acres in Oregon and Washington which came in primarily through completion of our purchase of the St. Helens, Oregon, property from Crown Zellerbach Corporation.

Boise Cascade's timberland reserves are today located in Oregon, Washington, California, Idaho, Minnesota, North Carolina, and the Philippine Republic. Our ownership totals 1,536,000 acres. We have half interest in another 422,000 acres in Louisiana and Texas, owned or leased by Boise Southern Company, a joint venture of Boise Cascade Corporation and Southern Natural Gas Company. In addition, we have long-term cutting rights on 4.1 million acres, primarily in Canada. Our U. S. timber reserves, owned and controlled, contain approximately 10 billion board feet of sawtimber, pulpwood and plywood material. In Canada they contain about 30.5 million cords of pulpwood.

These timber and land resources constitute an important asset which is appreciating in value each year.

About 40% of the 1968 wood requirements for our paper and wood products manufacturing plants came from timber properties owned or leased by Boise Cascade. The rest we purchased from federal, state, and private sources, largely through competitive bidding. This gives us the flexibility to manage our own forests under a program which balances harvest with growth.

New inventories of all our timber properties were begun in 1968, leading to refinements in our long-term, sustained-yield management plans and possible changes in manufacturing facilities to match the raw material supply. This data is being programmed into mathematical models on our high-speed computers to aid us in reaching our goal of maximum use of our wood fiber resources through conversion to end products of the highest market value.

Market projections of demand for wood products indicate increasing pressures on the U.S. and world wood supply. To cope with this, we have instituted a number of forest management practices—some still experimental—designed to increase yields of wood fiber from our forest properties. They include reforestation, commercial and precommercial thinnings, spray-killing





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of undesirable hardwoods, fertilization, smaller log utilization, salvage, and more efficient harvesting methods which leave less fiber on the forest floor. These techniques are helping us to offset the rapidly increasing costs of raw material.

At the same time we are concerned with the growing list of proposals to place new areas of commercial forest lands in single-use reservations where tree harvest, even on a sustained-yield basis, is prohibited. Such proposals in 1968 alone, if all enacted, would have withdrawn several million acres of wood-producing lands from product use indefinitely. Boise Cascade

believes in the balanced management of forest lands for compatible uses and, in fact, opens nearly all of its timber properties to the public for a wide variety of recreational pursuits. We also recognize the need for selected single-use areas for outdoor recreation where timber harvest is not permitted. There is continuing controversy over the location and the size of these areas. These issues must be resolved on a realistic basis, consistent with the increasing demands of society for *both* forest products *and* forest recreation. We seek the support of our shareholders, our employees, our suppliers, and our customers in this vital effort.

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## TECHNOLOGY

The Boise Cascade vocabulary is built around such words as "discovery" and "innovation". The ability of our people to solve problems, to adapt innovative management techniques, and to discover and develop new products and processes is assuming an increasingly important role in the Company's plans for internal growth.

Nowhere is innovation more dramatically evident than in our computer operations. Late in 1968 we set up our corporate data processing activities as a separate company. While continuing to serve the operations research and data processing needs of Boise Cascade, this wholly owned subsidiary now sells its capabilities to

others. The list of packaged services includes our Exodus I and Exodus II computer translation systems, marketed by Computer Sciences Corporation, as well as a new Computer Operations Management Information and Training program called COMIT which is being offered to data processors.

New applications of traditional computer functions are continually being developed. One example is an on-line order entry system which eliminates numeric coding and makes information readily accessible in language a reader can understand without special training. Other systems under development allow customers to interact or "converse" with computers to arrive





at quick solutions to complex problems. Our new subsidiary is also pioneering in the combining of data transmission with data processing. Within the near future, teleprocessing will likely replace voice communication as the major factor in communicating business information.

In research and development activities we concentrate on practical product development at the operating level in order to remain close to market and consumer requirements. Our efforts are focused through five research and development operations, including a pulp-paper-fiber center at International Falls, Minnesota; a building construction center at Kingsberry Homes in Chamblee, Georgia; a plastic-paper-metal packaging development center based in St. Louis, Missouri; and wood product development centers in Fort Bragg, California, and Boise, Idaho. At Boise our Electrocare pilot plant is investigating new applications of an exclusive electron beam curing process for paint on such wood products as house siding.

In building products we are experimenting with new types of machines to make low-cost fuel logs, briquettes, decorative bark products, and simulated side-wall shingles using rough-sawn Philippine mahogany veneer. We also developed a self-cleaning and self-oiling concrete form which brings considerable savings to the

contractor and a roofing system which employs a thermoplastic coating on plywood sheathing and a seal for joints, thus offering contractors a watertight, moistureproof cover for all-weather construction.

In packaging, exciting new market opportunities are being explored for the application of the composite can concept to vacuum-packed coffee, cleanser, shortening, snack food items, and carbonated beverages. We expect breakthroughs in some of these areas in 1969.

In shelter we are continuing to experiment with new methods of meeting the need for low-cost housing through such developments as modular buildings.

In timber utilization we developed a portable sawmill which travels on railroad flatcars and utilizes small logs. It will reduce raw material costs and contribute to a fuller use of our timber holdings.

These are a few examples...there are many others. Our 1968 expenditure for new product and process development, engineering, operations research, market research, and management science totaled about \$6.8 million. We view this as an investment in growth and profitability of the Company, as well as a demonstration of our determination to serve the present and future needs and demands of the marketplace.





## SHELTER

Providing shelter in which people live and work became an increasingly important part of Boise Cascade's business during 1968. Our sales to the shelter market totaled \$231.7 million, or 22.6% of the total corporate revenue.

We built, in factories and on the site, 7,586 single- and multi-family dwellings, 16,576 mobile homes, 32 industrial or commercial buildings, and about 1,000 pre-engineered metal buildings. The total of over 25,000 units makes Boise Cascade one of the world's more important producers of shelter for people.

### On-site Homebuilding

1968 was a year of rapid expansion in our construction of single- and multi-family home developments in tracts and subdivisions. From a California base, which sold 1,800 homes in 22 separate developments, our operations extended to serve several new locations, including the Seattle area, northern New Jersey, Chicago, and the Baltimore-Washington, D.C., area. A total of 16 new subdivisions were opened, and planning was begun on a 1,700-acre residential community in Prince George's County, Maryland. We also entered the apartment building field in 1968 and started construction on three major projects totaling 623 dwelling units.

All of Boise Cascade's diversified homebuilding programs start with painstaking market research which determines the market need and guides

us in planning the styles of homes and subdivisions which will meet the needs for a given area. In general, our on-site homebuilding programs are directed at the middle-income buyer, featuring houses in the \$22,000 to \$35,000 price range.

We see the demand for housing continuing strong into 1969. We have scheduled the opening for three new regional offices this year—one on the West Coast and two in promising eastern market areas. Our current goal is to be building homes in planned residential communities in at least ten major cities by 1972.

### Industrial/Commercial Buildings

Industrial parks and commercial shopping centers are on the rise, along with housing. In 1968 we built and sold or leased over 1.2 million square feet of architecturally designed industrial buildings, more than we had produced during all of the three previous years. We are also developing three new industrial parks in the Los Angeles area. We expect this activity will continue to grow.

A new venture, concluded early in 1969, is our entry into the field of pre-engineered metal buildings for commercial use. These are built in factories at Eufaula, Alabama, and Elkhart, Indiana, and trucked in panels to the assembly site. During 1968 this operation made and sold over 1,000 buildings, covering more than 6.2 mil-



WILLIAM M. AGEE  
Vice President



RAYMOND A. WATT  
formerly General Manager/On-site Construction



lion square feet of floor space. The manufacturing processes and marketing techniques involved tie in well with our other capabilities for commercial and industrial developments.

#### **Manufactured Homes**

The rising demand for housing, accompanied by a growing shortage of skilled, high-cost field labor, offers increasing opportunities to make and market dwellings built in the factory, as a complement to our other shelter-building activities. We served this market during the year from six homebuilding plants strategically located in the Southeast, Midwest, and Northwest. Plans are in process for the construction of four additional plants in the South, the Northwest, the Midwest, and overseas.

The concept of low-cost, sectionalized housing, built in the factory and stacked up on the site, holds great promise in helping to serve the needs of the urban renewal market, the rebuilding of rural poverty areas, and for such specialized shelter as relocatable classrooms. We are experimenting with sectionalized dwellings at a factory in the United Kingdom and see bright possibilities for introducing the stack-up building technique to the European market.

Our manufactured home capability also serves a market within a market—the garden apartment and townhouse portion of the single-family dwelling market. As we develop better archi-

tectural appeal and manufacturing techniques for this type of modular construction, we see substantial opportunities for growth in meeting consumer demand for this type of housing.

#### **Mobile Homes and Parks**

Boise Cascade manufactures and markets mobile homes from fourteen plants in the U.S., three in Canada, and two in England. Five additional plants are expected to begin operation in 1969. The "mobile" home, selling at a median price range of \$5,000 to \$7,000, is rapidly gaining acceptance as a permanent home throughout much of the U.S. This is particularly true with young married couples and semi-retired couples, who are the principal buyers. Today mobile homes account for about 26% of all single-family dwellings purchased. This figure is expected to reach 35% or 40% within five years. The techniques developed in mobile-home manufacture tie in nicely with our efforts in modular construction and relocatable buildings; all together they give Boise Cascade a capability unequalled in this industry.

Complementing our mobile-home manufacturing activity is our mobile-home park development group established in 1968. We currently have four luxury parks, either completed or under construction, containing 707 homesites. This group plans the construction of 20 new parks around the country during 1969.



JEROME B. NOWAK  
Vice President/Light Construction



ALAN S. BORSTEIN  
General Manager/On-site Construction



## URBAN DEVELOPMENT

Boise Cascade believes that the application of private resources and capital in partnership with government is vital to the solution of our crucial urban problems. We believe this can create a new prosperity, as the nation meets the needs of 26 million Americans who have inadequate shelter. As builders, and as believers in the effectiveness of the free-enterprise concept, we see substantial opportunities to build value in the urban marketplace, with benefits to all those involved.

Our newly formed Department of Urban Development completed its first full year of operation in 1968. Starting late in 1967 as a dollar-a-year, nonprofit consultant to our home city of Boise, Idaho, we have developed an active and varied urban construction portfolio in six U.S. cities.

We are in the advanced stages of construction of housing for low- and moderate-income families in Pittsburgh and Indianapolis. We expect to break ground in 1969 for a residential project

in Boston and another complex, primarily commercial, on the ocean front in Long Beach, California. During the year we also entered into a joint venture to create a total center-city residential and commercial complex in Camden, New Jersey. In addition, we have proposals for new projects pending with city officials in Baltimore and several other cities. We are also actively involved as a 44% partner with a contractor in Harlem, New York, who specializes in urban renewal projects and to whom we provide both managerial and financial services.

Some of our projects are in federally assisted urban renewal programs; some are in cities which have a desire to "go it alone"; some projects utilize federal mortgages which guarantee low-interest loans; and some are conventionally financed. Whatever the method, we feel we are helping to prove that American private enterprise can meet the public challenges of the urban problem effectively.

## RECREATION

Per capita income and leisure time for most Americans are increasing dramatically. They have resulted in a fast-growing interest in all types of recreational products and services. Our involvement in shelter building led Boise Cascade into the second-home market in 1967. Starting from this base, we added a number of other products and services during 1968 to meet

the leisure-time demands of people. These include travel trailers and campers, vacation motor homes, and pleasure cruises. We have chosen to define this as a new market for Boise Cascade, serving the leisure-time requirements of people with discretionary incomes.

Our sales to the recreation market in 1968 were \$65.8, or 6.4% of total revenue.



STEPHEN D. MOSES  
General Manager/Urban Development



ROBERT S. WASHBURN  
General Manager/Land Development



### Leisure-living Communities

1968 witnessed the emergence of Boise Cascade as one of the nation's leading developers of second-home sites in leisure environments. These communities are usually situated within convenient driving distance of major metropolitan areas. In almost every instance they are on water—oceanfront, natural lakes, or lakes which we build. Improvements include golf courses (we now own eight), swimming pools, tennis courts, beach and country clubs, riding stables and marina-restaurant facilities.

Prominent examples include Lake Arrowhead, an artificial lake bordered by resort homes near San Bernardino, California; and Incline Village, a 6,000-acre resort and vacation home community on the north shore of Lake Tahoe, Nevada. The latter includes a major ski facility and a Robert Trent Jones-designed golf course.

A new 3,500-acre, ocean-oriented development called Ocean Pines was started during 1968 near Ocean City, Maryland. In December we exercised our option to purchase 25,500 acres on the Kona Coast of Hawaii, where we plan to develop a major beach resort area as well as a recreation-oriented village on the uplands overlooking the ocean.

In all, Boise Cascade operates 11 different projects of this type in six states with plans to expand into more states in 1969.

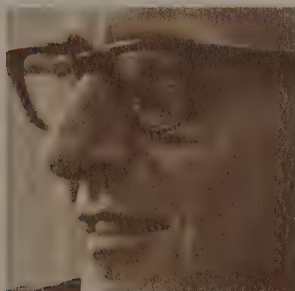
### Pleasure Cruises

In 1968, 400,000 Americans spent about \$450 million on pleasure cruising. To better compete for the disposable income dollar in the recreation market, we purchased Princess Cruises, Inc., of Los Angeles in October. Princess Cruises operates two of the world's most modern luxury cruise ships—the *Princess Italia* (420 passengers) and the *Princess Carla* (750 passengers). These ships are, in effect, floating resort hotels which call at major ports in Mexico, the Caribbean, and Alaska. We are planning the addition of a third ship in 1970.

### Vacation Homes & Vehicles

Travel trailers, truck campers, motor homes, resort condominiums, and vacation cabins represent another important segment of the recreation market served by the Company. All are used by the purchaser for vacation or leisure-time activities. During 1968 Boise Cascade and its affiliates manufactured and sold approximately 20,000 recreational vehicles and campers, principally from plants in France, the United Kingdom, Canada, and the Netherlands. These units are sold mainly through non-exclusive dealerships.

By the end of 1969 we will have designed, built, and sold 314 "stack-up" or condominium apartment units for resort developments at Sun Valley, Idaho; Snowmass, Colorado; and Jack-



EDWARD W. HUGHES  
Vice President/Wood Products Manufacturing



VERN L. GURNSEY  
Vice President/Timberlands



son Hole, Wyoming. These units are completely finished at the factory and delivered on flatbed trucks to the site for stacking and rapid assembly into finished apartments. We are building a fourth plant with this capability near Spokane, Washington, in 1969.

Since 1961, recreational vehicle industry sales have increased 285%; the upward curve seems

to be continuing. By next year total industry production of these types of units is expected to exceed 665,000 vehicles with a sales volume approaching \$2 billion. We expect to expand our service to this market. At the same time we are seeking opportunities to provide other capital products purchased by the recreation-minded consumer.

## BUILDING MATERIALS

1968 was a significant year in the manufacture and sale of Boise Cascade building products. Prices of such basic commodities as lumber and plywood reached ten-year highs, due to the strong level of homebuilding activity which continued throughout the year. This, coupled with an active home improvement market and a vigorous upturn in industrial uses of wood products, saw the year end with a demand for building products which was almost unprecedented.

Net sales of our building products during the year totaled \$300.4 million, or 29.3% of our total.

Boise Cascade's seventeen sawmills (including two sawmills in Louisiana transferred during 1968 to Boise Southern) produced and sold 946 million board feet of lumber. Our nine plywood plants produced and sold slightly over a billion square feet of plywood,  $\frac{3}{8}$ " basis. New plants for the manufacture of studs and pulp chips were started in Ontario and in southern Oregon.

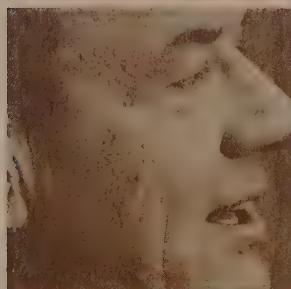
Market demand for particleboard used in floor underlayment, furniture, counter tops, and cabinets rose to new highs in the last half of the year. Our plant at International Falls, Minnesota, which manufactures Insulite® products, achieved new records, producing for the market 505 million square feet of this fiberboard product used as primed and prefinished exterior siding, structural sheathing, acoustical and decorative ceiling tile, and other interior finishing applications.

During the year we added manufacturing facilities for plywood paneling and other industrial wood products in California, Oregon, North Carolina, Virginia, and Minnesota. All of these operations were running at capacity by year-end.

New building product distribution and fabrication outlets were added to cover important markets in Washington, D.C.; Maryland; Delaware; Virginia; and North Carolina. These complement our wholesale distribution centers in six western



STEPHEN B. MOSER  
Executive Vice President



ROBERT J. WESTON  
General Manager/Building Products



states which supplied builders and retail lumber yards with more than 1,000 different types of building products, from asphalt roofing to nails. A new Building Materials and Services division was formed during the year to serve profitably the needs of major builders, retail lumber dealers, and remanufacturers with prefabricated construction components and systems as well as basic building products. We know of no other organization in the building materials field which is innovating as rapidly in the distribution and fabrication of building products.

In mid-January of 1969, shareholders approved the merger of Union Lumber Company of Fort Bragg, California, into Boise Cascade. Union principally manufactures a variety of redwood lumber products at three plants. It is currently building a plywood plant. A wholly owned subsidiary manufactures and sells redwood outdoor furniture, plus cut stock used by others to make a variety of items such as windows, sash doors, toys, luggage, and swimming pool accessories.

Several exciting new items were added to our building products line in 1968. They include a high-quality line of decorative hardwood wall paneling; a moderately priced line of prefinished, printed wall paneling; and an improved Insulite® primed house siding. Rough-sawn exterior siding from Philippine mahogany, which was pioneered by Boise Cascade in 1967, continued to grow in market popularity. The veneer for this exciting product is made at our modern plywood plant at Zamboanga, Philippine Republic, which is supported by a 150,000-acre timber concession. It is shipped to our Medford, Oregon, plywood plant for remanufacture into finished panels.

In spite of tightening mortgage costs, most major builders—our prime customers—appear to have their financing arranged for the first half of the year.

With housing starts predicted in the 1.5 million range for 1969, the market for building products looks promising.

## PACKAGING

Boise Cascade serves the packaging market with 18 corrugated container plants, 19 composite can plants, and four bag and wrapping plants in the U.S.; one container plant in Europe; and two bag plants in Central America. These facilities produce corrugated shipping containers, spirally wound composite cans, grocery

bags and sacks, and a variety of high-design specialty bags and colorful gift wraps.

Packaging provided 15.4% of the Company's net sales in 1968, or \$157.8 million.

During the year we produced at Wallula, Washington, and St. Helens, Oregon, 263,000 tons of



JOHN B. FERY  
Executive Vice President



FRED P. THOMPSON, JR.  
Vice President/Packaging



paper to serve the nation's packaging market. The new Boise Southern mill, now in construction at De Ridder, Louisiana, will add 235,000 tons of packaging papers to our annual capacity.

We built a new \$3 million container plant at Marion, Ohio, in 1968 to better serve the mid-west packaging market. We also expanded the container plant in St. Paul to improve services for our Minnesota customers. Plans are also underway to broaden our product and service capabilities in domestic and foreign markets during the coming year.

Our composite can division uses paper-foil-plastic laminates to make highly attractive,

spiral-wound and convolute containers with metal ends. It produced 2.4 billion cans in 1968, a substantial increase over the previous year. The packaging of refrigerated dough, motor oil, and frozen juice concentrates continue to account for a major share of this production.

Packaging is a growth industry which puts a high premium on innovation, quality, and service. Starting with one container plant in 1957, Boise Cascade has met these challenges and grown to our present position as an important factor in the packaging industry. We are continuing our resolve to excel in meeting the needs of the expanding packaging market.

## COMMUNICATION PAPERS

Papers used in some form of communications continued to be a very significant part of Boise Cascade's business in 1968. They accounted for \$120.7 million, or 11.8% of the Company's net sales.

The year saw some significant changes in this market. Technology related to the transfer and storage of information is accelerating the demand for many of our existing paper products and creating opportunities for the development of new ones. Currently we are working with our customers as well as manufacturers of printing presses, computers, and copy machines in order to take full advantage of these opportunities. Our mills produced 476,000 tons of communica-

tion papers during the year at Salem and St. Helens, Oregon; Vancouver, Washington; International Falls, Minnesota; Fort Frances and Kenora, Ontario; Escuintla, Guatemala; and Bataan, Philippine Republic.

## Printing and Publication Papers

We are especially encouraged by our progress in producing printing and publication papers. In the printing field our product development has been aimed at providing papers which will meet the increasingly specialized requirements of modern web offset printing presses. We have also penetrated the publishing market with new services to text and tradebook publishers.



JUAN DEL VALLE  
Vice President/Paper Manufacturing



JON H. MILLER  
Vice President/Paper Sales



Our Andrews/Nelson/Whitehead operation in New York is a supplier of quality book and periodical papers in the East. It is also one of the nation's leading distributors of specialty printing papers imported from Europe and the Orient.

#### **Newsprint**

Boise Cascade newsprint operations continued their excellent performance during 1968. Both Kenora and Fort Frances newsprint mills operated at peak capacity despite the general leveling of U.S. newsprint demand that characterized the 1967-68 period. Newsprint accounts for just over half of Boise Cascade's communication paper production and is the largest single

paper tonnage item produced by the Company.

The new Boise Southern mill at De Ridder, Louisiana, is the only newsprint mill planned to come into production in either the U.S. or Canada in 1970. Boise Southern's 150,000-ton newsprint machine is well timed for the anticipated upturn in newsprint consumption during the next two years. For the first time we will be positioned geographically to capitalize on the even faster growing demand for newsprint overseas. Southern newspaper publishers are increasingly showing their support of our De Ridder investment with long-term newsprint supply contracts.

#### **THE OFFICE**

In 1968 the office market, together with related paper distribution and manufacturing activities, accounted for \$112.6 million or 10.7% of the Company's total sales. The group operates in 47 U.S. and Canadian cities from 66 plants, warehouses, and retail stores.

Boise Cascade's concept of supplying the office—whether the office be in a business, school, bank, governmental agency or institution—evolves around a total resource capability for all office needs. Products range over a wide spectrum of office supplies and include items such as paper, furniture, and data processing supplies. In 1968 we implemented a new national accounts program; produced a unique, "first-of-

its-kind" office products consumer catalog; and opened a new distribution center in the Minneapolis-St. Paul area.

Papers sold through independent converters and distributors for office use are manufactured at seven Boise Cascade paper mills in the West, Midwest, and New England. These mills produced about 228,000 tons of such papers in 1968. The product mix includes typewriter and writing bonds, copy papers, plus mimeograph, duplicator, file folder, envelope, tablet, index, and safety papers. We also distributed a substantial tonnage of roll papers to the business forms and printing industries through a division set up to serve that specialized market with pri-



CHARLES C. TILLINGHAST  
Vice President/Business Products & Services



ROBERT L. BONAPARTE  
Director of Marketing/Paper



mary distribution centers in four key cities.

Boise Cascade manufactures various grades of specialty paperboard for the office market at its Case Brothers division in the East. Case's principal product is Genuine Pressboard®, used by leading manufacturers of stationery items for data processing and other binders, for tablet and notebook covers, and a broad range of stationery applications. Case's facilities consist of a main office and plant in Manchester, Connecticut, and additional plants in East Hartford, Connecticut, and Brattleboro, Vermont.

Our Honolulu Paper Company division serves the commercial paper and office supply markets through four distribution centers and five retail stationery stores throughout Hawaii. Willson Stationers, a wholly owned subsidiary in Can-

ada, operates 22 retail stores and 13 distribution centers in six Canadian provinces.

Boise Cascade has become a major U. S. producer of envelopes for the office market and the direct-mail industry. Five converting plants are located in Chicago, Cleveland, Dallas, Pittsburgh, and Allentown, Pennsylvania. In 1968 our Cleveland facility moved to a new, modern 92,000-square-foot plant. We also expanded by 30,000 square feet in Allentown, Pa. Technological advances in equipment additions due in 1969 will enable us to maintain a position of leadership in the creative direct-mail advertising and sales promotion markets.

The U.S. office market, excluding office machines, should reach \$7 billion in sales by 1972. Boise Cascade expects to grow with this market.

#### BOISE CASCADE OVERSEAS

The Company has been gradually extending its experience in overseas markets for building products, paper and packaging. A new building products export department, created in 1968, now has sales outlets in England, France, Sweden, Denmark, Germany, Puerto Rico, Japan, and Australia. We are beginning to step up export of selected paper products to South America and the Far East. A modern plywood plant in the Philippine Republic makes veneers and plywood from tropical hardwoods. Today we are also manufacturing travel trailers and mobile

homes at plants in the Netherlands, France, and England and are producing shipping containers in Austria and paper products in Guatemala, Costa Rica, and the Philippine Republic. While the total impact of these activities on our earnings is as yet negligible, the need and demand for such basic items as housing, paper, and packaging products is as strong in other parts of the world as it is domestically. This demand offers Boise Cascade substantial challenges abroad as we accumulate experience and increase our understanding of these opportunities.



CECIL TAYLOR  
Vice President/Paper Manufacturing



GORDON C. RANDALL  
Vice President/Administration



SOMETHING SINGULAR









Man is a product of his environment and the only living creature with the power to alter it. Over the ages we have discovered the disciplines required for our survival. In contests with Nature and with our fellowmen, we have learned the cost of conflict and the price of arrogance.

We have tended to waste ourselves and our natural resources. We have used natural resources to shape our present world, and we depend on them for our future world. Now we are learning to husband our resources, and we are finding new ways to use them more efficiently. We are beginning to understand that we can take nothing for granted, and generally we don't.

Except ourselves.

We have fallen into the habit of believing that human beings come in an endless supply. We have been slow to think of ourselves as creative individuals . . . proponents of change . . . originators of social, economic, industrial, and moral revolutions. We are intrigued by possibilities for innovation and speak well of what should be done but are inclined to ignore the fact that we are the ones who must do it. Too often we disregard the power and the potential of the individual as we search for solutions to our problems.

It is time that we recognized our unique qualities. This awareness can have a profound beneficial effect on our environment and on society as a whole. We can no longer settle for mass mediocrity. It is time we traded it in on something singular.



Singularity has given way to serving the majority without regard to individual needs, desires, and hopes. The word "society" has become a cover that obscures our uniqueness as individuals and tends to group us all in a sort of faceless anonymity which implies that we can no longer control our own destiny. Distinctive personality has been downgraded; sameness has too often become the order of the day.

Formulas have been created to cover most problems with a median solution for everyone. Coded ciphers on computers are accepted as a sort of total cure-all. The individual who cries out for a different or a better way is drowned in a wave of social conformity. So, in desperation, he sometimes experiments with destructive solutions—riots, crime, dropout, drugs.

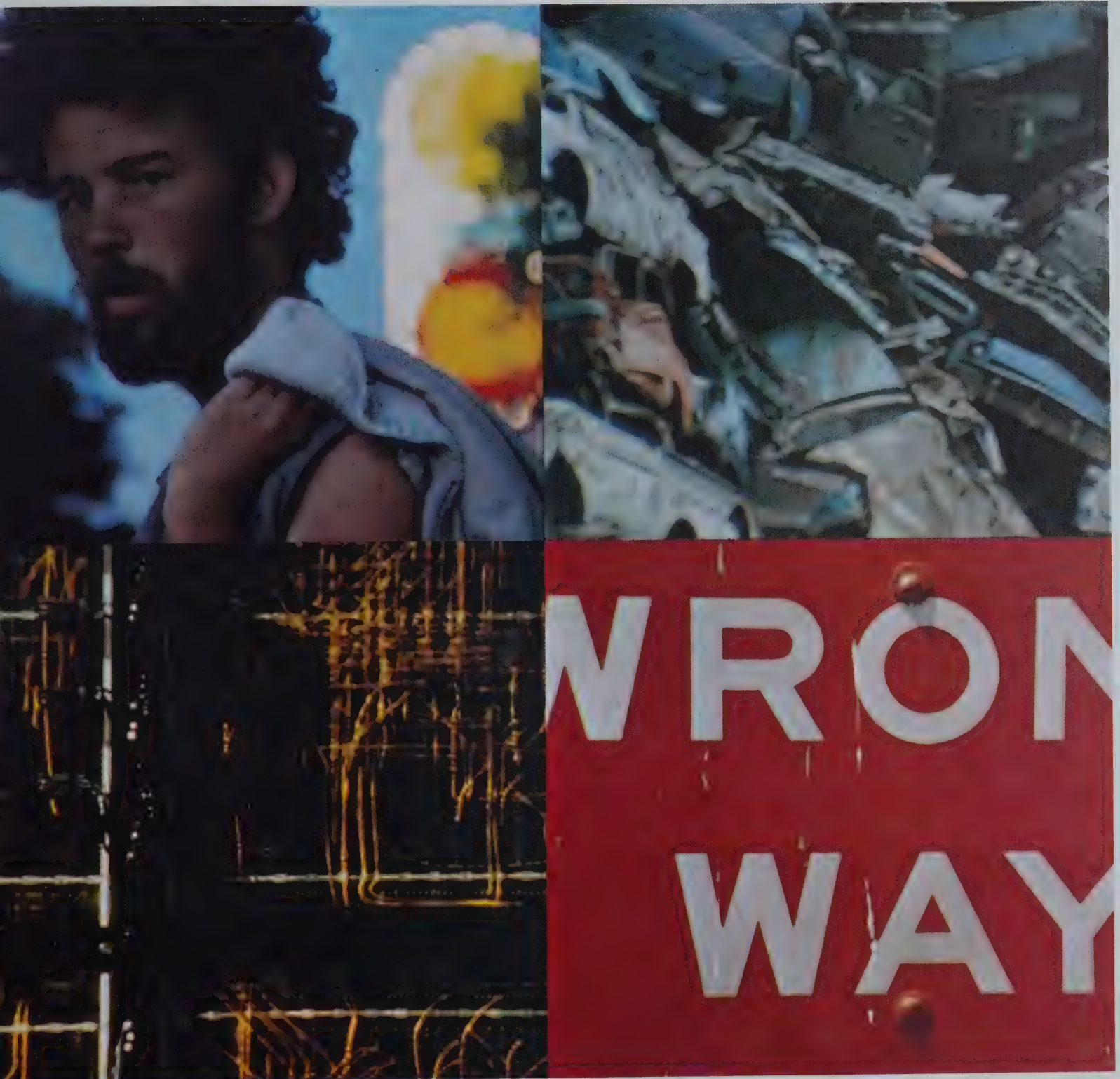
There are some alternatives.





Society, since it is man-made, can be man-changed. The orientation must be toward Man as an individual problem-solver; toward the collective "we", and the first person singular "I".

There is overwhelming simplicity in the fact that fresh ideas can only come from people, properly inspired. Constructive change occurs only in a climate which fosters it. It is not enough, however, to find other ways, means, and ideas just for their own sake. There must be a purpose, a motivation. Ours is: "to consistently increase value for our shareholders". When we do this our employees, our customers, our suppliers and society benefit. What does all this have to do with the affairs of business, in general, and with Boise Cascade, in particular . . . where we are today and where we will be tomorrow? Everything.





In 1957 Boise Cascade was a little-known lumber company in the Mountain West. Our resources included some trees of value and some men with energy and the ability to innovate.

In a little over a decade these individuals turned Boise Cascade into a leading supplier of plywood, lumber and other building materials, paper, packaging, and leisure-living products.

While serving these markets, these Boise Cascadians found that the solution to one challenge led to other challenges. Their involvement with paper manufacturing led to packaging and paper converting, to the distribution of office supplies, and then other business products and services. Their involvement with building products led to home construction, on-site and in the factory, then mobile homes and land development. They became





aware of the problems of our cities and entered the field of urban development in a substantial way. They recognized the increasing needs of people for recreation, so they began to serve this market by building communities for leisure living and became involved in the leisure-oriented business of vacation cruises.

An attitude, special to Boise Cascade, evolved... people working together with a purpose, unwilling to accept the notion of a mass society which seemed to be saying that individual enterprise is futile because the individual is no more than a number. Individual initiative, properly encouraged and rewarded, can work wonders in meeting not only corporate goals but also in serving the needs of society.

This viewpoint has made quite a difference in the short history of our Company.





Take, as one example, urban development. The greatest migration in the history of our nation has been taking place in the movement of people from the country to the city. They huddle together on a tiny percentage of our total available land. An appallingly high percentage of them live in substandard housing. A year ago some of our creative individuals saw in this an opportunity to do well while doing good. They started from scratch. Today we are involved in the design, planning, or construction of urban development projects in seven cities; and we are adding a new one almost every month. We are attempting to innovate approaches to many facets of the problem beyond just better housing—education, waste disposal, jobs, and others as we are led to them. There is profit involved as well as the satisfactions gained by doing a needed job and doing it well.





Living in ghettos breeds hopelessness and general discontent. Jobless people buy little and are an economic burden on society when they could be an asset. Simply building new shelter will not solve all the problems; but it will help, particularly if it involves people in their own self-help programs and approaches urban renewal for what it really is—*self-renewal* for the individual.

A free enterprise must serve the needs and wants of the individual, or it cannot grow. It must also find a reasonable return for its owners. Profit made while satisfying a human need is especially worthwhile, because it is creating new values for people as well as for the enterprise. A company that serves society well will grow in value.

This is what Boise Cascade is trying to do. In the process we are assuring markets and customers for the future.





Every corporation strives for a unique personality. The way individuals in Boise Cascade think about their jobs and apply their potentials for growth is the company's most distinctive characteristic . . . and certainly its most important asset. We consider it important that people are free to express themselves in their work and, more importantly, to feel the full impact of their ideas upon their company and their community. Motivated people with "running room" not only adapt to change but also create it. This may not be the most accepted or safest business practice, but it is the most exciting. It has meant some failures along with the successes, but the record shows there is merit and achievement in the idea. This spirit distinguishes Boise Cascadians quite apart from the products they make and market.





When people can do what they want to do in their own way instead of just what they have to do, following somebody else's rule book, things happen. In eleven years our sales have increased from fifty million to over a billion dollars. Net earnings have grown from two million to forty-five million dollars.

Today Boise Cascadians are involving themselves on many fronts in many markets through a principle we call the "wet edge". It is like painting a wall. We begin something new which relates to what we are already doing. Each new "brushstroke" represents an overlapping market or a technical capability which we already possess or are in the process of developing. We have attracted a lot of people who like to "paint" in the relatively unrestricted atmosphere of a free-form company.







We started with lumber. Today, through a philosophy which encourages individual innovation, we are serving markets for communication papers, packaging, office supplies, shelter, building products, recreation, and urban development. There is more to come.

The canvas is exciting . . . the colors are complementary . . . the design is contemporary.

The painters are singular indeed.



## FINANCIAL MATTERS

□ Net income per common share was \$2.38, an increase of 49% over 1967.

Recently much attention has been given by the financial community to the method of expressing earnings per share. It is becoming increasingly apparent that many seemingly senior securities are obtaining a significant portion of their value from the right to convert to common stock. Many feel that possible dilution of common shareholders' equity in earnings should be recognized in the computation of earnings per share. The Securities and Exchange Commission and the public accounting profession have issued statements that provide some tentative guidelines for determining whether a senior security should be regarded as being a residual security; i.e., equivalent to outstanding common stock. Under these proposed rules, we concluded that our convertible preferred stock has been equivalent to common stock since issu-

ance; and we began reporting earnings per share in that manner with the six months ended June 30, 1968. We are continuing this practice at year end, and earnings per share, as reported in prior annual reports, have been restated accordingly. Again, guided by the proposed rules, we have also concluded that our 6½% convertible notes became equivalent to common stock late in 1968. Potential dilution, assuming exercise of all outstanding stock options, is immaterial and has not been reflected in reported earnings per share.

Although we have adopted the present method of computing earnings per share, we still feel that our shareholders should know how much of our earnings actually accrue to them and the extent to which potential dilution exists. The table below shows the impact of this method of reporting on earnings per share and also reflects adjustments required for poolings of interests and stock dividends.

### NET INCOME PER COMMON SHARE

(Based on average shares outstanding)

	1968	1967	1966	1965	1964
<b>As Previously Reported</b> , based on common shares issued and outstanding	\$2.83	\$2.00	\$1.48	\$1.62	\$1.30
Effect of "residual" securities	(.45)	(.33)	(.12)	(.15)	(.06)
<b>Adjusted for Residual Securities</b>	\$2.38	\$1.67	\$1.36	\$1.47	\$1.24
Effect of restating prior years for subsequent poolings of interests and common stock dividends	—	(.07)	.17	.33	.32
<b>As Presently Reported</b>	<u>\$2.38</u>	<u>\$1.60</u>	<u>\$1.53</u>	<u>\$1.80</u>	<u>\$1.56</u>

□ In 1968 we paid a 2% common stock dividend equivalent to \$1.29 per share, based on its market value at date of declaration. It is our intent to consider another 2% common stock dividend in 1969. As a result of the dilution from the common stock dividend and arbitrage operations in the marketplace, 2,860,122 shares of our convertible preferred stock were converted to common stock during 1968. On an annual basis this reduces our cash dividend requirements by approximately \$4 million.

□ In 1968, 1,481,344 shares of common stock were issued to acquire additional operating units and for management stock options. This, coupled with our record high earnings and the sale of 193,055 shares for cash, resulted in shareholders' equity of \$361 million, an increase of 36% over 1967.

□ Our debt to equity ratio at December 31, 1968, was .6 to 1, compared to the .9 to 1 ratio reported last year. We decreased long-term debt \$41 million, including \$12 million held by companies acquired in 1968, primarily by paying off long-term notes to banks.

□ In 1968 we spent \$46 million for plant expansion and \$17 million for timber purchases.

In September, 1968, \$105 million of industrial revenue bonds were successfully marketed in order to provide Boise Southern Company, a joint venture of Southern Natural Gas Company and Boise Cascade Corporation, with funds to construct a 1100-ton-per-day pulp and paper mill in Louisiana. During the year \$20 million were spent on construction of the mill which is scheduled for completion in early 1971. In the formation of Boise Southern, Boise Cascade



made a capital contribution of approximately \$27 million, represented primarily by a transfer of timber, timberlands, and operating properties.

□ In December, 1968, a secondary offering was made of 1,131,900 shares of Boise Cascade common stock on behalf of individuals who had received the stock in prior years in various acquisitions. It brought no new money into the Company. Fully subscribed, it was the largest single offering of any company's common stock during the year 1968.

□ Inflation has been much in the news in recent years. Boise Cascade is well positioned against the bad effects of inflation because of its substantial investments in timber, plant, and property. However, a little-recognized aspect of our hedge against inflation is the fact that charges in our income statement were actually paid prior to their recognition as a charge against income and thus represent purchases with dollars having a higher purchasing power than those dollars received as revenues against which they are matched in the determination of net income. In some instances, such as depreciation and depletion, expenses were paid many years in advance of the period in which they are matched against revenues. Accordingly, the net income of a corporation (the net gain in accumulated purchasing power during a short period) is usually different from that shown by the accounting records which assume all dollars to be of equal strength. In a period of inflation, this real income will usually be substantially less than the reported book income.

Through a study of the year 1967, we found that, if all dollars in the income statement had been, in fact, of equal purchasing power, reported earnings of Boise Cascade would have been \$11 million greater. This is primarily because of our

practice of maintaining a manageable long-term debt position. As a result, we can pay off our obligations with present-day dollars of relatively lower value. This advantage far offsets the understatement, due to inflation, of depreciation and depletion costs in our income statement.

□ A breakdown of quarterly earnings per common share as reported for the last four years, on a residual basis, is as follows:

Quarter	Net Income per Common Share			
	1968	1967	1966	1965
1st	\$ .34	\$ .18	\$ .28	\$ .25
2nd	.72	.52	.50	.43
3rd	.66	.43	.29	.49
4th	.66	.54	.29	.30
Yearly total	<u>\$2.38</u>	<u>\$1.67</u>	<u>\$1.36</u>	<u>\$1.47</u>

□ While we believe that disclosure of operating results by product line might benefit investors, we do not feel that there is sufficient uniformity in large, multiproduct-line companies like Boise Cascade to make disclosure of profits by product line meaningful at this time. However, operating income in major categories of Boise Cascade's market can be summarized as follows:

	1968	1967
Building Products and Shelter	\$ 52,176,000	\$25,918,000
Paper	32,534,000	29,664,000
Recreation	15,518,000	8,982,000
Miscellaneous	4,740,000	4,830,000
Operating income	<u>\$104,968,000</u>	<u>\$69,394,000</u>
Corporate expenses	(21,098,000)	(20,490,000)
Income taxes	<u>(38,480,000)</u>	<u>(19,360,000)</u>
Net income	<u>\$ 45,390,000</u>	<u>\$29,544,000</u>



EUGENE H. IRMINGER  
Comptroller



L. W. HARRIS, JR.  
Secretary



EDWARD W. CLEARY  
Vice President & Treasurer



R. W. HALLIDAY  
Executive Vice President

*R. W. Halliday*



## INCOME STATEMENTS

Boise Cascade Corporation  
and Consolidated Subsidiaries

	Year Ended December 31	
	1968	1967
	(000)	(000)
		(Note 1)
<b>REVENUES</b>		
Net sales .....	\$1,026,457	\$825,119
Other income .....	12,267	9,263
	<u>\$1,038,724</u>	<u>\$834,382</u>
<b>EXPENSES</b>		
Cost of goods sold .....	\$ 754,720	\$616,572
Depreciation and depletion .....	31,437	29,419
Selling and administrative expenses .....	145,288	120,147
Interest expense .....	23,409	19,340
	<u>\$ 954,854</u>	<u>\$785,478</u>
Net income before income taxes .....	\$ 83,870	\$ 48,904
<b>INCOME TAXES</b>		
Provision for income taxes		
Current .....	\$ 14,000	\$ 16,400
Deferred .....	26,200	5,910
Investment credit .....	(1,720)	(2,950)
	<u>\$ 38,480</u>	<u>\$ 19,360</u>
<b>NET INCOME</b> .....	<u>\$ 45,390</u>	<u>\$ 29,544</u>
Net income per common share (Note 10) .....	<u>\$2.38</u>	<u>\$1.60</u>

The accompanying notes are an integral part of these income statements.



**BALANCE SHEETS**Boise Cascade Corporation  
and Consolidated Subsidiaries

<b>ASSETS</b>	<b>December 31</b>	
	<b>1968</b> (000)	<b>1967</b> (000)
		(Note 1)
<b>CURRENT</b>		
Cash.....	\$ 10,465	\$ 20,733
Receivables, less reserves of \$1,897,000 in 1968 and \$2,515,000 in 1967.....	95,689	96,406
Inventories, at lower of cost or market, including \$15,838,000 in 1968 and \$18,394,000 in 1967 on the Lifo method .....	112,234	112,568
	<u>\$ 218,388</u>	<u>\$229,707</u>
<b>REALTY</b>		
Notes and contracts receivable, less reserves of \$6,574,000 in 1968 and \$3,926,000 in 1967 (\$13,705,000 due in 1969) .....	\$ 138,872	\$ 73,055
Housing projects, completed or under construction, at lower of cost or market .....	100,974	60,992
Land and improvements held for development and sale, at lower of cost or market .....	90,040	82,914
	<u>\$ 329,886</u>	<u>\$216,961</u>
<b>PROPERTY</b>		
Property and equipment, at cost .....	\$ 492,732	\$482,203
Accumulated depreciation (determined principally by the straight-line method) .....	(190,960)	(173,441)
	<u>\$ 301,772</u>	<u>\$308,762</u>
Timber and timberlands, at cost less depletion (Note 2) .....	\$ 61,628	\$127,294
<b>OTHER</b>		
Investment in Boise Southern Company (Note 2) .....	\$ 35,505	\$ —
Investment in overseas subsidiaries (Note 1) .....	13,387	10,786
Noncurrent receivables .....	26,697	32,038
Other investments and deferred costs .....	40,530	31,669
	<u>\$1,027,793</u>	<u>\$957,217</u>



LIABILITIES	December 31	
	1968 (000)	1967 (000)
		(Note 1)
<b>CURRENT</b>		
Notes payable .....	\$ 6,233	\$ 14,914
Current portion of long-term debt and other obligations .....	16,767	15,101
Accounts payable and accrued liabilities .....	106,524	103,102
Estimated income taxes .....	6,865	6,995
	<u>\$ 136,389</u>	<u>\$140,112</u>
<b>REALTY</b>		
Notes and contracts payable (Note 3) .....	\$ 188,214	\$137,859
Sales commissions payable and other liabilities .....	34,296	24,855
	<u>\$ 222,510</u>	<u>\$162,714</u>
<b>DEBT</b>		
Long-term notes payable, less current portion (Note 4) .....	\$ 217,848	\$250,661
<b>OTHER</b>		
Lease-purchase obligations, less current portion (Note 5) .....	\$ 21,696	\$ 21,963
Timberland rental obligations, less current portion (Note 2) .....	—	30,779
Deferred income taxes .....	55,274	29,639
Convertible subordinated notes (Note 6) .....	\$ 13,200	\$ 21,600
<b>EQUITY</b> (see accompanying statement)		
Convertible preferred stock, having a preference in involuntary liquidation of \$58,819,000 in 1968 and \$152,885,000 in 1967 .....	\$ 34,719	\$ 90,032
Common stock .....	42,962	31,328
Additional paid-in capital .....	116,725	29,694
Retained earnings (restricted as indicated in Note 7) .....	166,610	148,955
Treasury stock, at cost .....	(140)	(260)
	<u>\$ 360,876</u>	<u>\$299,749</u>
	<u>\$1,027,793</u>	<u>\$957,217</u>

The accompanying notes are an integral part of these balance sheets.



## SHAREHOLDERS' EQUITY

Boise Cascade Corporation  
and Consolidated Subsidiaries

Shares Outstanding During 1968			Total Shareholders' Equity (000)
Preferred	Common		
		<b>Balance at December 31, 1967</b>	
4,632,866	11,227,393	As previously reported	\$265,788
—	1,291,987	Changes resulting from poolings of interests (Note 1)	33,961
4,632,866	12,519,380	As restated	\$299,749
		<b>Net income</b>	45,390
		<b>Dividends declared</b>	
		Cash—\$1.40 per share on preferred stock and \$.25 per share on common stock	(8,606)
		Stock—2% (equivalent to \$1.29 per share) on common stock	—
		297,149	
		<b>Stock options exercised</b>	
		Common—averaging \$20.14 per share	1,026
9,658	50,953	Preferred—averaging \$28.89 per share	279
		<b>Conversions to common stock</b>	
		Convertible subordinated notes	8,400
(2,860,122)	3,717,258	Preferred stock	—
		<b>Common stock issued</b>	
		For cash	8,511
		In exchange for securities	5,906
		193,055	
		89,250	
		11,380	
		<b>Treasury stock transactions</b>	221
<u>1,782,402</u>	<u>17,184,435</u>	<b>Balance at December 31, 1968</b>	<u>\$360,876</u>

The accompanying notes are an integral part of this statement of shareholders' equity.



Convertible Preferred Stock (000)	Common Stock (000)	Additional Paid-in Capital (000)	Retained Earnings (000)	Treasury Stock (000)
			(Note 7)	
\$90,032	\$28,098	\$ 25,577	\$122,341	\$ (260)
—	3,230	4,117	26,614	—
<u>\$90,032</u>	<u>\$31,328</u>	<u>\$ 29,694</u>	<u>\$148,955</u>	<u>\$ (260)</u>
			45,390	
			(8,606)	
	743	18,386	(19,129)	
	127	899		
279				
	765	7,635		
(55,592)	9,293	46,299		
	483	8,028		
	223	5,683		
		101		120
<u>\$34,719</u>	<u>\$42,962</u>	<u>\$116,725</u>	<u>\$166,610</u>	<u>\$ (140)</u>

**PREFERRED STOCK** (without par value)

Each share of the convertible preferred stock has a cumulative dividend of \$1.40 per year, is convertible to 1.3 shares of common stock, is subject to redemption at any time at \$45 per share and is entitled to one-half vote on all matters submitted to meetings of the shareholders.

At December 31, 1968, there were 3,111,496 shares authorized, 3,000 shares held in the treasury and 12,425 shares reserved for issuance under stock option programs, exercisable at an average price of \$31.06 per share. No options were granted during the year.

**COMMON STOCK** (\$2.50 par value)

At December 31, 1968, there were 30,000,000 shares authorized (reflecting a 10,000,000 share increase in January 1969), 531 shares held in the treasury, 2,337,175 shares reserved for conversion of preferred stock, 437,171 shares reserved for conversion of convertible subordinated notes payable and 614,106 shares reserved for issuance under stock option programs, including 532,412 shares exercisable at an average price of \$43.16 under options outstanding. Options on 280,156 shares were granted during 1968 at an average price of \$59.50 per share. Options are granted at the market value on date of grant.



## SOURCES AND APPLICATIONS OF FUNDS

Boise Cascade Corporation  
and Consolidated Subsidiaries

	Year Ended December 31	
	1968	1967
	(000)	(000)
	(Note 1)	
<b>BEGINNING WORKING CAPITAL</b>	<b>\$ 89,595</b>	<b>\$109,309</b>
<b>SOURCES</b>		
Net income	\$ 45,390	\$ 29,544
Depreciation and depletion	31,437	29,419
Total from operations	\$ 76,827	\$ 58,963
Borrowing under long-term notes	30,397	56,899
Borrowing under convertible notes	—	21,600
Sale of property and equipment	17,196	8,293
Exchange of timber and operating properties (Note 2)	86,107	—
Increase in deferred income taxes	25,635	2,876
Exercise of stock options	1,305	2,858
Issuances of common stock	22,817	—
Miscellaneous	1,812	(1,911)
	<b>\$262,096</b>	<b>\$149,578</b>
<b>APPLICATIONS</b>		
Southern timber properties	\$ 1,716	\$ 35,331
Property and equipment	45,564	52,093
Other timber and timberlands	15,649	5,646
Capital expenditures	\$ 62,929	\$ 93,070
Investment in Boise Southern Company (Note 2)	35,505	—
Increase in realty assets (net of realty liabilities)	53,875	14,350
Investment in overseas subsidiaries	2,601	4,360
Increase in noncurrent receivables and other assets	3,520	23,327
Purchase of common stock for the treasury	—	3,061
Cash dividends declared	8,606	7,525
Reduction of timberland rental obligations (Note 2)	30,779	—
Reduction of long-term notes and other obligations	71,877	23,599
	<b>\$269,692</b>	<b>\$169,292</b>
Decrease in working capital	<b>\$ 7,596</b>	<b>\$ 19,714</b>
<b>ENDING WORKING CAPITAL</b>	<b>\$ 81,999</b>	<b>\$ 89,595</b>

The accompanying notes are an integral part of these statements of sources and applications of funds.



## NOTES TO FINANCIAL STATEMENTS

### 1. Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its domestic and Canadian subsidiaries. Overseas subsidiaries are not consolidated and are insignificant in relation to the Corporation and its consolidated subsidiaries. Investments in overseas subsidiaries are at cost plus equity in undistributed earnings, and also include noncurrent advances.

During 1968, the Corporation issued 400,929 shares of common stock in exchange for the business and net assets or the outstanding stock of several companies. In January and February of 1969, the Corporation issued 1,029,462 shares of common stock, including 23,516 shares from its treasury, in exchange for the business and net assets or the outstanding stock of four companies. These transactions were accounted for as poolings of interests and the consolidated financial statements have been restated to include the accounts and operating results of the pooled companies from January 1, 1967. Also, in 1968, the number of shares which were deemed to have been issued in connection with 1967 poolings were adjusted, resulting in the issuance of 77,888 treasury shares rather than unissued shares and the issuance of 37,000 shares fewer than anticipated.

The companies acquired in early 1969 had sales of \$35,993,000 and net income of \$2,479,000 in 1968, and \$29,886,000 and \$1,763,000, respectively, in 1967. Their contribution to net income per share was \$.01 in 1968 and \$.02 in 1967.

### 2. Investment in Boise Southern Company

The Corporation and Southern Natural Gas Company (through its wholly-owned subsidiary, Southern Natural Resources, Inc.), have formed an unincorporated joint venture, Boise Southern Company, in which each has a 50% interest, to construct and operate a pulp and paper mill, estimated to cost approximately \$105,000,000, near De Ridder, Louisiana. The Corporation is responsible for the construction of the mill and management of the project.

During 1966 and early 1967 the Corporation, in order to provide the necessary raw materials base for this project, acquired approximately 220,000 acres of timberland and other properties and operating facilities at a cost of \$54,000,000, financed primarily through borrowings, and acquired rights under long-term leases to grow, cut and remove timber on approximately 210,000 acres. The Corporation's rights and obligations under the long-term leases, as well as the purchased timberland and related properties and debt

having an approximate net value of \$27,000,000, were transferred to Boise Southern during 1968. Southern Natural Resources transferred approximately \$27,000,000 in cash to Boise Southern.

The Corporation and Southern Natural Gas have agreed with interim lenders to Boise Southern to cause the pulp and paper mill to be completed by September 1971. Upon completion, the mill will be sold and leased back by Boise Southern. The Corporation and Southern Natural Gas have guaranteed, each to the extent of 50%, the rental obligations of Boise Southern under the pulp and paper mill lease and Southern Natural Gas is indemnifying the Corporation for 50% of its continuing liability as a guarantor of the timberland lease obligations. The Corporation and Southern Natural Resources are jointly and severally liable for all other obligations of the joint venture. In addition, the Corporation is obligated to purchase most of the production of the project and is obligated to make certain payments to Boise Southern under specified circumstances if production is not maintained at certain levels.

Boise Southern's balance sheet at December 31, 1968, is summarized as follows:

#### Assets

Current assets	\$ 4,812,000
Construction in process	20,547,000
Timber, timberlands, and minerals	41,929,000
Equity in long-term bond fund	104,064,000
Other assets	14,341,000
	<u>\$185,693,000</u>

#### Liabilities

Current liabilities	\$ 4,847,000
Long-term debt	
Industrial revenue bonds	105,000,000
Construction notes payable	19,000,000
Participants' investment	
Boise Cascade Corporation	28,423,000
Southern Natural Resources, Inc.	28,423,000
	<u>\$185,693,000</u>

During the construction of the pulp and paper mill, all current costs and expenses, including net results of operating the related timberlands, are being deferred and will be amortized when the mill is in operation.

### 3. Notes and Contracts Payable

These notes, substantially all of which are secured by realty assets, bear interest at an average rate of 7% and were issued principally to secure funds for the



purchase and development of real property. It is customary in the real estate industry to finance operations on a project-by-project basis, reducing borrowings as properties are sold or as customer receivables are collected and to refinance with similar obligations when necessary. Accordingly, although \$51,733,000 is due within one year, such financing practices are expected to result in renewals as required.

#### 4. Long-Term Notes Payable

These notes, which are unsecured, consist of the following:

	December 31	
	1968	1967
	(000)	(000)
Notes payable to insurance companies, 5.7%	\$103,500	\$110,000
Notes payable to insurance companies, 5.25%	25,000	25,000
Promissory notes, with interest rates averaging 7.4%, to be converted through 1970 to notes payable to insurance companies, 6.5%	26,900	50,400
Other notes payable to insurance companies, with interest rates averaging 6.4%	39,256	16,641
Revolving credit notes payable to banks	—	35,000
Other notes payable, with interest rates averaging 5.5%	38,695	27,308
	<u>\$233,351</u>	<u>\$264,349</u>
Less current portion	15,503	13,688
	<u>\$217,848</u>	<u>\$250,661</u>

Annual payments on these notes are \$15,503,000 in 1969, \$29,487,000 in 1970, \$13,961,000 in 1971, \$15,693,000 in 1972 and lesser amounts thereafter through 1990.

#### 5. Lease-Purchase Obligations

Lease-purchase obligations are long-term leases which are, in substance, installment purchases of property. These leases provide for annual payments including interest, currently at an average rate of 5.8%; of approximately \$2,450,000 through 1975, \$1,650,000 through 1979, \$5,200,000 in 1980, \$750,000 through 1986 and \$2,900,000 in 1987.

#### 6. Convertible Subordinated Notes

These notes, which are payable to insurance companies, consist of \$3,600,000 at 6.50%, convertible to common stock through 1978 at \$27.45 per share and \$9,600,000 at 1½% over the prime rate (currently 8.25%), which the Corporation is committed to refinance in 1969 with 6.375% notes subject to conversion through 1979 to common stock at \$31.37 per share. If the conversion privilege is not exercised, annual payments of \$1,320,000 will commence in 1979.

During 1968, \$8,400,000 principal amount of notes outstanding at December 31, 1967, were converted to 306,010 shares of common stock (\$27.45 per share).

#### 7. Dividend Restrictions

The Corporation has entered into note agreements which provide, among other things, that no cash dividends are to be paid on the Corporation's common stock except from 75% of net income, as defined, since December 31, 1963, provided consolidated working capital, as defined, is at least \$70,000,000. At December 31, 1968, 75% of such consolidated net income was \$45,700,000 and such consolidated working capital was \$77,600,000.

#### 8. Retirement and Pension Plans

The Corporation has several retirement and pension plans covering substantially all employees. The provision for pensions was \$3,720,000 in 1968 and \$4,520,000 in 1967, including amortization of prior service costs over periods of up to forty years. During 1968, the Corporation changed the actuarial cost method and actuarial assumptions used in determining the costs of certain pension plans, increasing net income for the year by approximately \$460,000.

#### 9. Commitments

In addition to the leases described in Note 5, the Corporation is the lessee of other real and personal property, aggregate rentals for which will approximate \$8,250,000 in 1969.

In connection with certain acquisitions, the Corporation may be required to issue up to 103,000 shares of its common stock and, in 1971, may be required to (1) issue additional shares depending upon the then current market value or (2) at its option, offer \$53.92 per share for the repurchase of up to 102,000 shares.



#### 10. Net Income Per Common Share

Net income per common share has been calculated using the total of the average shares of common stock actually outstanding during the year plus the shares of common stock issuable upon conversion of the Corporation's convertible preferred stock and upon

conversion of those convertible subordinated notes payable deemed to be equivalent to common stock.

Net income per common share, assuming conversion at the beginning of the year or at issuance, if later, of all convertible securities and the exercise of all stock options, was \$2.31 for 1968 and \$1.57 for 1967.

#### AUDITORS' REPORT

To the Shareholders of  
Boise Cascade Corporation:

We have examined the balance sheets of Boise Cascade Corporation (a Delaware corporation) and consolidated subsidiaries as of December 31, 1968 and 1967, and the related statements of income and sources and applications of funds for the years then ended, and the statement of shareholders' equity for the year ended December 31, 1968. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of certain consolidated subsidiaries, whose net income represents approximately 7% of consolidated net income

in 1968 and 40% in 1967, and the financial statements of Boise Southern Company, an unincorporated joint venture, were examined by other auditors and we were furnished with their reports thereon.

In our opinion, based upon our examination and the reports of other auditors referred to above, the accompanying financial statements present fairly the financial position of Boise Cascade Corporation and consolidated subsidiaries as of December 31, 1968 and 1967, and the results of their operations and the sources and applications of funds for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

Seattle, Washington,  
February 28, 1969.

*Arthur Andersen & Co.*



## STATISTICAL REVIEW

Boise Cascade Corporation  
and Consolidated Subsidiaries

SALES VOLUME	1968	1967	1966	1965	1964
Paper (thousands of tons)					
Newsprint	282	297	280	274	276
Paperboard	212	204	196	159	144
Converting papers	219	199	189	158	123
Printing papers	147	136	123	98	93
Business papers	140	121	108	98	83
	<u>1,000</u>	<u>957</u>	<u>896</u>	<u>787</u>	<u>719</u>
Corrugated containers (millions of square feet)	3,684	3,172	3,037	2,479	2,215
Bags (thousands of tons)	72	72	73	—	—
Cans (millions)	2,420	2,055	—	—	—
Lumber (millions of board feet)	946	787	710	707	654
Plywood and veneer (millions of square feet)	1,096	801	602	474	398
Insulite® building products (millions of square feet)	505	437	422	447	421
Single family homes					
Constructed on site	1,873	1,297	—	—	—
Manufactured	4,585	4,352	3,827	4,274	3,787
Mobile	16,576	13,854	—	—	—
Multi-family homes	1,128	1,153	415	357	—
Developed land (acres)	19,600	12,900	—	—	—
Mobile home parks (home sites)	443	125	—	—	—
Industrial space (thousands of square feet)					
Constructed on site	1,206	700	—	—	—
Pre-engineered metal buildings	6,200	—	—	—	—
Travel and recreational vehicles	20,154	15,471	—	—	—

## RESOURCES

Employees	29,930	27,340	19,270	17,766	14,943
Assets per employee (thousands of dollars)	\$34.3	\$31.6	\$27.2	\$23.7	\$22.8
Timberlands owned in fee (thousands of acres)	1,536	1,381	1,180	1,105	1,073
Timber owned and controlled					
Sawtimber (millions of board feet)	8,000	7,300	7,100	6,700	5,700
Pulpwood (thousands of cords)	34,700	34,500	34,000	30,500	30,500
Number of common shareholders	21,067	14,111	9,712	7,441	6,459
Number of preferred shareholders	6,689	12,611	8,036	8,310	9,442



<b>RATIOS</b>	<b>1968</b>	<b>1967</b>	<b>1966</b>	<b>1965</b>	<b>1964</b>
Net income as a percentage of sales.....	4.42%	3.69%	3.48%	4.26%	4.13%
Net income as a percentage of shareholders' equity.....	12.58%	10.67%	8.83%	10.38%	8.98%
Current assets to current liabilities.....	1.6 to 1	1.6 to 1	2.2 to 1	2.9 to 1	2.6 to 1
Cash flow as a percentage of long-term debt.....	35.27%	23.10%	19.01%	22.22%	27.34%
Debt to shareholders' equity.....	.60 to 1	.90 to 1	1.01 to 1	.97 to 1	.70 to 1
Effective income tax rate.....	45.88%	39.49%	37.94%	33.72%	39.96%
Effective income tax rate, excluding investment credit.....	47.93%	45.78%	43.77%	42.06%	43.28%

#### COMMON SHARE DATA

(Restated for prior years to reflect a 2-for-1 split in 1966)

<b>Outstanding at year end</b>					
Actual.....	17,184,435	11,227,393	9,032,821	8,635,022	8,973,278
Including common stock equivalents.....	19,632,706	17,250,119	12,495,402	12,093,922	12,318,955
<b>Average outstanding</b>					
Actual.....	14,226,611	10,930,930	9,004,606	8,752,218	8,773,124
Preferred stock equivalent to common stock.....	4,816,544	6,052,498	3,460,737	3,417,376	3,345,482
Convertible notes equivalent to common stock.....	93,165	—	—	—	—
Basis for earnings per share.....	19,136,320	16,983,428	12,465,343	12,169,594	12,118,606
<b>Per common share</b>					
Net income.....	\$ 2.38	\$ 1.67	\$ 1.36	\$ 1.47	\$ 1.24
Increase (decrease) from previous year.....	43%	23%	(7%)	19%	33%
<b>Dividends declared</b>					
Cash.....	\$ .25	\$ .25	\$ .24	\$ .20	\$ .20
Stock (2%).....	\$ 1.29	—	—	—	—
<b>Shareholders' equity, after reflecting liquidation preference of preferred stock.....</b>	<b>\$17.58</b>	<b>\$10.06</b>	<b>\$11.62</b>	<b>\$ 9.78</b>	<b>\$ 9.09</b>

In all *Statistical Review* data, mergers accounted for as poolings of interests are consolidated commencing in the year of acquisition.



## A FIVE YEAR COMPARISON

Boise Cascade Corporation  
and Consolidated Subsidiaries

FINANCIAL CONDITION	1968	1967	1966	1965	1964
	(000)	(000)	(000)	(000)	(000)
<b>Assets</b>					
Current assets .....	\$ 218,388	\$204,034	\$157,807	\$144,273	\$122,537
Less current liabilities .....	136,389	124,718	70,231	50,355	47,896
Working capital .....	\$ 81,999	\$ 79,316	\$ 87,576	\$ 93,918	\$ 74,641
Realty assets (net) .....	107,376	55,534	—	—	—
Timber and timberlands .....	61,628	114,164	87,880	34,075	30,175
Property and equipment (net) .....	301,772	289,117	240,597	218,801	175,484
Other assets .....	116,119	67,721	38,197	23,728	13,175
	<u>\$ 668,894</u>	<u>\$605,852</u>	<u>\$454,250</u>	<u>\$370,522</u>	<u>\$293,475</u>
<b>Financed by</b>					
Long-term notes payable .....	\$ 217,848	\$238,852	\$193,909	\$166,921	\$117,127
Other liabilities .....	76,970	79,612	67,590	31,350	9,852
Convertible notes .....	13,200	21,600	—	—	—
Shareholders' equity .....	360,876	265,788	192,751	172,251	166,496
	<u>\$ 668,894</u>	<u>\$605,852</u>	<u>\$454,250</u>	<u>\$370,522</u>	<u>\$293,475</u>
<b>OPERATIONS</b>					
<b>Revenues</b>					
Net sales .....	\$1,026,457	\$769,160	\$489,196	\$420,059	\$361,608
Other income .....	12,267	7,171	3,270	2,852	1,973
	<u>\$1,038,724</u>	<u>\$776,331</u>	<u>\$492,466</u>	<u>\$422,911</u>	<u>\$363,581</u>
<b>Expenses</b>					
Materials and services .....	\$ 650,473	\$485,452	\$301,483	\$262,996	\$234,940
Salaries and wages, including employee benefits .....	249,535	200,286	132,574	105,100	80,937
Depreciation and depletion .....	31,437	26,813	19,849	19,198	17,081
Interest .....	23,409	16,929	11,146	8,629	5,726
Income taxes .....	38,480	18,500	10,400	9,100	9,950
	<u>\$ 993,334</u>	<u>\$747,980</u>	<u>\$475,452</u>	<u>\$405,023</u>	<u>\$348,634</u>
<b>Net income</b> .....	<u>\$ 45,390</u>	<u>\$ 28,351</u>	<u>\$ 17,014</u>	<u>\$ 17,888</u>	<u>\$ 14,947</u>

In the above figures, mergers accounted for as poolings of interests are consolidated commencing in the year of acquisition.



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**FACILITIES SERVING**

*Manufactured Homes:* 7 Plants—Alabama, Iowa, Idaho, Utah, Virginia, and Washington  
*Mobile Homes:* 19 plants—Indiana, Penn., N. Carolina, Texas, Miss., Michigan, Florida, Kansas, Oregon, California, Canada, and England  
*On-site Homebuilding and Homesites:* 41 projects—California, Illinois, Maryland, New Jersey, and Wash.  
*Apartments:* 3 Projects—California  
*Industrial Parks:* 3 Projects—California  
*Mobile Home Parks:* 4 Projects—California  
*Metal Buildings:* 2 Plants—Alabama and Indiana

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**THE SHELTER MARKET**

*Leisure-living Communities:* 11 Projects—Calif., Hawaii, Illinois, Indiana, Maryland, Nevada, Ohio and Virginia  
*Travel Trailers and Campers:* 7 Plants—Michigan, Canada, England, France, and the Netherlands  
*Motor Homes:* 1 Plant—Iowa  
*Pleasure Cruises:* 2 Ships—Serving California, Mexico, the Caribbean, and Alaska

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**THE RECREATION MARKET**

*Lumber:* 15 Sawmills—California, Oregon, Idaho, Washington and Louisiana  
*Plywood and Veneer:* 12 Plants—California, Idaho, Oregon, North Carolina, Washington, and the Philippine Republic  
*Particleboard:* 1 Plant—Oregon  
*Fiberboard:* 1 Plant—Minnesota  
*Specialty Wood Products:* 12 Plants—California, Georgia, Idaho, Illinois, New Jersey, Ohio, and Va.  
*15 Distribution Centers:* Serving Washington, Idaho, Oregon, Utah, Colorado, Wyoming, Montana, New Mexico, Virginia, Maryland, North Carolina, Delaware, New Jersey, Nevada, and Washington, D.C.  
*14 Retail Units:* Serving Wash., Idaho, Oregon, and Utah

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**THE BUILDING MATERIALS MARKET**

*Pulp and Paper:* 2 Mills—Oregon and Washington  
*Containers:* 19 Plants—Idaho, Colorado, California, Washington, Texas, Missouri, Indiana, Ohio, Minnesota, Connecticut, Illinois, North Carolina, Oregon, Arkansas, Utah, and Austria  
*Bags and Gift Wraps:* 6 Plants—Oregon, New Jersey, Virginia, Missouri, Guatemala, and Costa Rica  
*Composite Cans:* 19 Plants—California, Florida, Georgia, Indiana, Kansas, Missouri, Ohio, Pennsylvania, Tennessee, and Texas

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**THE PACKAGING MARKET**

*Pulp and Paper:* 8 Mills—Washington, Oregon, Minn., Canada, Guatemala, and the Philippine Republic  
*Paper Distribution Centers:* 15 Units—Georgia, Hawaii, Illinois, Kansas, New York, Colorado, Oklahoma, Texas, Florida, and Tennessee  
*Envelopes:* 5 Plants—Illinois, Ohio, Pa., and Texas

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**THE COMMUNICATION PAPERS MARKET**

*Office Papers:* 4 Mills—Minnesota, Oregon, and Washington  
*Specialty Paperboards:* 3 Mills—Conn., and Vermont  
*Office Supplies, Furniture, Equipment, and Data Processing Supplies:* 37 Retail Stores and 37 Wholesale and Industrial Distribution Centers—California, Colorado, Florida, Georgia, Hawaii, Illinois, Michigan, Missouri, New Jersey, New York, North Carolina, Ohio, Oregon, Tenn., Wash., Wisc., Alberta, British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan

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**THE OFFICE MARKET**

*7 Projects*—Idaho, Indiana, California, Pennsylvania, New York, Massachusetts, and New Jersey

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**THE URBAN DEVELOPMENT MARKET**

*5 Centers*—Idaho, Georgia, Minn., Missouri, and Calif.

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**RESEARCH AND DEVELOPMENT**



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## OFFICERS AND DIRECTORS

### BOARD OF DIRECTORS

JAMES D. BRONSON, *Investor and Orchardist, Yakima*  
 JAMES E. BRYSON, *Farmer, Portland*  
 ROBERT FAEGRE, *Retired, Former President, Minnesota and Ontario Paper Company, Minneapolis*  
 JOHN B. FERY, *Executive Vice President, Boise Cascade Corporation, Boise*  
 W. G. FIENUP, *President, R. C. Can Division, Boise Cascade Corporation, St. Louis*  
 G. D. FLOTRON, *Executive Vice President, R. C. Can Division, Boise Cascade Corporation, St. Louis*  
 R. W. HALLIDAY, *Executive Vice President, Boise Cascade Corporation, Boise*  
 R. V. HANSBERGER, *President, Boise Cascade Corporation, Boise*  
 ALBERT J. MOORMAN, JR., *Attorney and Partner in McCutchen, Doyle, Brown, & Enerson, San Francisco*  
 STEPHEN B. MOSER, *Executive Vice President, Boise Cascade Corporation, Yakima*  
 GILBERT H. OSGOOD, *Limited Partner, Blunt, Ellis & Simmons, Chicago*  
 JOHN S. PILLSBURY, JR., *President, Northwestern National Life Insurance Company, Minneapolis*  
 THEODORE H. SMYTH, *Investor, Santa Barbara*  
 HALL TEMPLETON, *Investor, Portland*  
 E. R. TITCOMB, *Chairman of the Board, Rock Island Corporation, St. Paul*

### EXECUTIVE OFFICERS

GILBERT H. OSGOOD, *Chairman of the Board*  
 R. V. HANSBERGER, *President*  
 JOHN B. FERY, *Executive Vice President*  
 R. W. HALLIDAY, *Executive Vice President*  
 STEPHEN B. MOSER, *Executive Vice President*  
 \*WILLIAM M. AGEE, *Vice President*  
 EDWARD W. CLEARY, *Vice President and Treasurer*  
 JUAN DEL VALLE, *Vice President*  
 VERN L. GURNSEY, *Vice President*  
 EDWARD W. HUGHES, *Vice President*  
 JON H. MILLER, *Vice President*  
 \*JEROME B. NOWAK, *Vice President*  
 \*GORDON C. RANDALL, *Vice President*  
 CECIL TAYLOR, *Vice President*  
 FRED P. THOMPSON, JR., *Vice President*  
 CHARLES C. TILLINGHAST, *Vice President*  
 \*L. W. HARRIS, JR., *Secretary*  
 \*EUGENE H. IRMINGER, *Comptroller*  
 .....  
 JOHN E. CLUTE, *General Counsel*

### GENERAL OFFICES

Boise, Idaho

### TRANSFER AGENTS:

#### Common Stock

The Chase Manhattan Bank (National Association), New York  
 The First National Bank of Chicago  
 Bank of America NT&SA, San Francisco

#### Preferred Stock

The Chase Manhattan Bank (National Association), New York  
 Northwestern National Bank of Minneapolis  
 The Royal Trust Company, Toronto  
 Bank of America NT&SA, San Francisco

### AUDITORS

Arthur Andersen & Co.

\*Elected to these offices in 1968









**BOISE CASCADE CORPORATION** General Offices Boise, Idaho 83701